

Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 03608 211257Z
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 PA-02 PRS-01 ABF-01 /094 W
-----211300Z 043246 /50

P 202021Z APR 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 1110

UNCLAS BOGOTA 3608

E.O. 11652: N/A
TAGS: EFIN, CO
SUBJ: NEW EXCHANGE REGIME ESTABLISHED IN COLOMBIA

1. AS OF APRIL 20 A NEW EXCHANGE SYSTEM WILL BE ADOPTED
IN COLOMBIA WHICH WILL RESULT IN A VERY SLIGHT REVALUATION
OF THE PESO IN RELATION TO DOLLARS EARNED FROM COFFEE, SERVI-
CES OR OBTAINED THROUGH DEBT. THE NEW REGIME WILL RESULT
IN ONE EXCHANGE RATE FOR MINOR EXPORTS AND ANOTHER RATE FOR
ALL OTHER DOLLAR SOURCES.

2. PERSONS EXCHANGING DOLLARS FROM ANY SOURCE OTHER THAN NON-
COFFEE EXPORTS WILL RECEIVE A 180 DAY NEGOTIATABLE
CERTIFICATE OF EXCHANGE. THE CERTIFICATE CAN BE NEGOTIATED
ON THE STREET OR SOLD TO THE CENTRAL BANK WITH A 10 PER CENT
DISCOUNT. AFTER THIRTY DAYS THE CERTIFICATE CAN BE
SOLD TO THE BANK OF THE REPUBLIC WITHOUT DISCOUNT AT THE
PESO PRICE IN EFFECT ON THE DAY THE CERTIFICATE IS SOLD.
PERSONS EARNING DOLLARS FROM MINOR EXPORTS MAY OBTAIN PESOS
IMMEDIATELY AT THE OFFICIAL RATE.

3. THE MEASURE WAS CALLED A REVALUATION BY THE PRESS AND HAILED
AS A STRONG ANTI-INFLATIONARY MEASURE BUT THE EXCHANGE
EFFECT OF THE MEASURE WILL NOT BE SIGNIFICANT. THE MEASURE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BOGOTA 03608 211257Z

WILL SAVE THIRTY DAYS OF DOLLAR INFLOW KEEPING ABOUT 4.5
BILLION PESOS OUT OF THE ECONOMY FOR 30 DAYS. HOWEVER
THE REVALUATION AND MULTIPLE EXCHANGE EFFECT OF THE NEW
SYSTEM WILL BE NO MORE THAN THE OPPORTUNITY COST OF FUNDS
OR ABOUT TWO TO TWO AND A HALF PERCENT A MONTH. IN
OTHER WORDS, IN THE STREET THE PRICE OF THE EXCHANGE CERTI-
FICATES SHOULD SETTLE INTO A PRICE TWO TO TWO AND A HALF

PERCENT LESS THAN THE OFFICIAL RATE BECAUSE THIS IS THE COST
OF HOLDING ON TO THE CERTIFICATES FOR ONE MONTH.
DREXLER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA03608
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770138-1026
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770440/aaaabhzv.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 21a52aa2-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2756592
Secure: OPEN
Status: NATIVE
Subject: NEW EXCHANGE REGIME ESTABLISHED IN COLOMBIA
TAGS: EFIN, CO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/21a52aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009